

Article III  
Section 8

94

(b) The documents specified in Section 10 of this Article III;

(c) An Officers' Certificate which shall (i) describe and state the amount of the outstanding Prior Lien Bonds the pledge and deposit of which with the Corporate Trustee forms the basis of the Application, and (ii) state that said Prior Lien Bonds are outstanding Prior Lien Bonds and have not theretofore been Bonded;

(d) Said Prior Lien Bonds unenclosed which form the basis of the Application, together with all unattached coupons and all unpaid matured coupons appertaining thereto, if any; and

(e) An Opinion of Counsel that all Prior Lien Bonds required to be pledged and deposited with the Trustee by clause (d) above are subject to the lien of the Mortgage or will become subject to such lien upon delivery thereof or delivery of the instruments, if any, specified in said Opinion of Counsel; and that the Company has valid title to such Prior Lien Bonds and the right to own and pledge the same free from any other lien.

Prior Lien Bonds made the basis for the authentication and delivery of Bonds under this Section 8, together with all coupons appertaining thereto, shall be held by the Corporate Trustee unenclosed and without extinguishment or impairment of the Prior Lien securing the same, except as effected as a matter of law by the acquisition thereof by the Company, and shall not thereafter be made the basis for the authentication and delivery of any Bonds, the release of any property, the withdrawal, payment or application of any cash held by the Corporate Trustee or otherwise used under any provision of the Mortgage; provided, however, that the Corporate Trustee, at the request of the Company, shall deliver any such Prior Lien Bonds to the trustee under the mortgage, deed of trust or other instrument under which the same may have been issued or which may secure the same for the purpose of obtaining

Article III  
Section 9 and 10

95

the release, satisfaction and discharge of such mortgage, deed of trust or other instrument if it is furnished with an Opinion of Counsel that the property on which such mortgage, deed of trust or other instrument constitutes a lien is owned by the Company and is subject to the lien of the Mortgage, and that there is no other lien on such property except Permitted Encumbrances, which is prior to the lien of the Mortgage.

SECTION 9. From time to time and in the manner provided in this Section 9, Bonds of one or more series, other than Series A and series created for the purposes of Section 2 and 4 of this Article III, may be executed by the Company and shall be authenticated by the Corporate Trustee and delivered to or upon the written order of the Company, signed by its President or a Vice President, upon the deposit by the Company with the Corporate Trustee of a sum in cash equal to the principal amount of the Bonds so to be authenticated and delivered, and upon delivery by the Company to the Corporate Trustee of (a) an Application for the authentication of Bonds under this Section 9, stating the principal amount of Bonds the authentication of which is applied for, (b) the documents specified in Section 10 of this Article III, and (c) an Officers' Certificate which shall certify that any cash so deposited with the Corporate Trustee is not otherwise required to be deposited with the Corporate Trustee or used under any provision of the Mortgage or of the General Mortgage.

All cash so deposited (herein sometimes referred to as "escrowed cash") shall be held by the Corporate Trustee as part of the mortgaged property and may be withdrawn by the Company upon its written order, signed by its President or a Vice President, accompanied by an Application therefor and a Certified Resolution authorizing such Application, in an amount equal to the principal amount of each Bond or fraction of a Bond to the authentication and delivery of which

Article III  
Section 9 and 10

96

the Company would be entitled under the provisions of Sections 3, 5, 6, 7 or 8 of this Article III. Upon applying for any such withdrawal, the Company shall comply with all applicable provisions of this Article III relating to the authentication and delivery of such Bonds except that the Company shall not be required to comply with any of the provisions of Section 10 of this Article III other than clause (d) (4) (with such changes as shall be appropriate to the withdrawal of escrowed cash) and clause (e) of said Section 10. Any withdrawal of escrowed cash under this Section 9 shall be in lieu of the right of the Company to the authentication and delivery of Bonds to which the Company would otherwise be entitled under the provisions of Sections 3, 5, 6, 7 or 8 of this Article III.

The Company shall not be entitled to withdraw any escrowed cash pursuant to the provisions of this Section 9 at any time when an Event of Default shall have occurred and be continuing.

Whenever and so long as the amount of escrowed cash at any time held by the Corporate Trustee and not withdrawn by the Company under the provisions of this Section 9 shall exceed \$10,000,000, no Bonds shall be issued by the Company or authenticated by the Corporate Trustee under the provisions of this Section 9.

SECTION 10. Whenever applying for the authentication of any Bonds, other than Bonds of Series A, under the provisions of this Article III, the Company shall cause to be delivered to the Corporate Trustee:

(a) A Certified Resolution authorizing the proposed issue of Bonds in a specified principal amount pursuant to a specified section or sections of this Article III, requesting the authentication and delivery thereof and either (i) stating that such Bonds are of a designated series previously authorized, or (ii) authorizing the execution and delivery of the supplemental indenture provided for in subsection (b) of this Section 10;

(b) If such Bonds are to be of a series not previously authorized, a supplemental indenture duly creating the proposed series and specifying as provided in Section 3 of Article II the particular provisions of the Bonds of such series;

(c) A copy authenticated in a manner satisfactory to the Corporate Trustee of any orders or certificates of any commissions or public regulatory bodies or other governmental authorities shown by the Opinion of Counsel referred to in subsection (d) of this Section 10 to be required by law for the issue of such Bonds;

(d) An Opinion of Counsel that

(1) no authorization or approval by any commission or public regulatory body or other governmental authority is required by law for the issue of such Bonds except such authorizations as are specified in such Opinion;

(2) the Company is entitled by law and by the terms of the Mortgage to the authentication and delivery of such Bonds;

(3) the authentication and delivery of such Bonds has been duly authorized by all requisite corporate action on the part of the Company;

(4) the Applications, certificates and orders and other documents delivered to the Corporate Trustee conform to the requirements of the Mortgage and constitute sufficient authority hereunder for the Corporate Trustee to authenticate and deliver such Bonds; and

(5) such Bonds when duly executed, authenticated and delivered and issued for consideration will constitute valid and outstanding obligations of the Company according to their terms and will be secured by the Mortgage in accordance with its terms; and

(e) An Officers' Certificate stating that no Event of Default has occurred and is continuing.

Article III  
Section 10

97